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Town of Goodman  
Financial Statements  
Year Ended September 30, 2003

*Dungan CPA Company  
120 South Natchez Street  
Kosciusko, Mississippi 39090*

**Town of Goodman**  
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**Town of Goodman**

**Financial Section  
September 30, 2003**

Kenny Dungan, CPA  
120 S Natchez Street  
Kosciusko, MS 39090

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SPECIAL REPORT ON AGREED-UPON PROCEDURES FOR SMALL TOWNS

November 18, 2003

Honorable Mayor and Board of Aldermen  
Goodman, Mississippi

I have applied certain agreed-upon procedures, as discussed below, to the accounting records of Goodman, Mississippi, as of September 30, 2003, and for the year then ended, as required by the Office of the State Auditor, under the provisions of Section 21-35-31, Miss. Code Ann. (1972). It is understood the report is solely for the use of the governing body of Goodman, Mississippi and the Office of the State Auditor and should not be used for any other purposes. My procedures and findings are as follows:

- 1. I reconciled cash on deposit with the following banks to balances in the respective general ledger accounts and obtained confirmation of the related balances from the banks:

Bank	Fund	Balance Per General Ledger
Holmes County Bank	General	\$ 2,756
Holmes County Bank	General	58,784
Holmes County Bank	General	2,493
Holmes County Bank	Utility	2,296
Holmes County Bank	Utility	4,563
Holmes County Bank	Utility	1,965
Holmes County Bank	Special Revenue	2,539
Holmes County Bank	Special Revenue	2,063

- 2. I performed the following procedures with respect to taxes on real and personal property (including motor vehicles) levied during the fiscal year:
  - A. Verify use of certified county assessment rolls and trace levies to governing body minutes;
  - B. Examined uncollected taxes for proper handling, including tax sales;
  - C. Traced distribution of taxes collected to proper funds; and
  - D. Analyzed increase in taxes for most recent period for completion with increase limitations of Sections 27-39-320 to 27-39-323, Miss. Code Ann. (1972).

and The distribution of taxes to funds was found to be in accordance with prescribed tax levies, uncollected taxes were determined to be properly handled.

Ad valorem tax collections were found to be within the limitations of Sections 27-39-320 to 27-39-323, Miss. Coed Ann. ( 1972 ).

Ad valorem tax collections for the retirement of general obligation debt was found to be sufficient for payment of current principal and interest in accordance with limitations imposed by Sections 21-33-87 and 21-33-303, Miss. Code Ann, ( 1972 ).

3. I obtained a statement of payments made by the Department of Finance and Administration to the municipality. Payments indicated were traced to deposit in the respective bank accounts and recorded in the general ledger without exception. Payments traced were as follows:

Payment Purpose	Receiving Fund	General Ledger Amount
Fire Protection Allocation	General Fund	\$ 5,659
General Municipal Aid	General Fund	653
Gasoline Tax	General Fund	3,476
Homestead Exemption	General Fund	3,182
Payments Nuclear Plant	General Fund	9,726
Sales Tax Allocation	General Fund	40,277
Liquor	General Fund	900
Library Funds	General Fund	440
Utility Relocation	General Fund	4,465
Other Aid to Municipalities	General Fund	340,492

4. I selected a sample of purchases made by the municipality during the fiscal year. Each sample item was evaluated for compliance with purchasing requirements set forth in Title 31, Chapter 7, Miss. Code Ann. ( 1972 ), as applicable.

The sample consisted of the following:

Number of Sample Items	33
Total Dollar Value of Sample	\$10,549

I found the municipality's purchasing procedures to be in agreement with the requirements of the above-mentioned sections.

5. I have read the Municipal Compliance Questionnaire completed by the municipality. The completed survey indicated no instances of noncompliance with state requirements.

Because the above procedures do not constitute an audit in accordance with generally accepted auditing standards, I do not express an opinion on any of the specific accounts or classes of transactions referred to above. In connection with the procedures referred to above, no matters came to my attention that caused me to believe the items specified in Paragraphs 1, 2 and 3 should be adjusted. Had I performed additional procedures or had I conducted an audit of the financial statement in accordance with generally accepted auditing standards, matters might have come to my attention that would have been reported to you. This report should not be associated with the financial statements of the Town of Goodman, Mississippi, for the years ended September 30, 2003.

Dungan CPA Company  
November 18, 2003

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Board of Alderman  
Town of Goodman, Mississippi

I have audited the accompanying statement of cash receipts and disbursements of The Town of Goodman as of September 30, 2003. This financial statement is the responsibility of the Town's management. My responsibility is to express an opinion on this financial statement based on my audit.

I conducted the audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statement referred to above present fairly, in all material respects, the results of operations of the Town of Goodman as of September 30, 2003, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued my report dated November 18, 2003, on my consideration of the Town of Goodman's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, and grants. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report considering the results of the audit.

Dungan CPA Company  
Kosciusko, Mississippi  
November 18, 2003

**Town of Goodman, Mississippi**  
**COMBINED STM OF CASH RECEIPTS AND DISBURSEMENTS**  
**For the Fiscal Year Ended September 30, 2003**

	Governmental Funds					Totals	Totals
	General	Special Revenue	Capital Projects	Proprietary Funds	Fiduciary Funds	(Memorandum Only) 2003	(Memorandum Only) 2002
Revenue Receipts:							
General Property Taxes	\$ 46,577		-			\$ 46,577	\$ -
Franchise Tax						-	
Intergovernmental Revenues:							
MDOT Grant	4,465	-	-			4,465	-
Nutrution Center	1,100	-	-			1,100	-
Litter Grant	2,000					2,000	-
CDBG		194,204				194,204	
Home Project		129,773				129,773	
Summer Feeding Program		20,857				20,857	
Police Grant	2,500					2,500	
County Fire Protection	15,101					15,101	-
State Shared Revenues:							
Sales Tax	42,197	-	-			42,197	-
Gasoline Tax	-	-	-			-	-
Grand Gulf	9,726					9,726	
Liquor Privelege Tax	900					900	-
Homestead Exemption	3,182					3,182	-
General Aid to Municipalities	2,218	-	-			2,218	-
Charges for Services:							
Water & Sewer Utility		-	-	\$ 279,009		279,009	-
Other Receipts:							
Fines & Forfeits	24,762	-	-	-		24,762	-
Loan Proceeds	24,000					24,000	-
Donations	500					500	
Other General Fund Revenue	-	-	-	-		-	-
Utility Franchise Charges	23,930					23,930	-
Permits	278					278	-
Other General Fund Revenue	1,437					1,437	-
Interest	280					280	-
Transfers	122,740	-	-	-		122,740	-
<b>Total Receipts</b>	<b>327,893</b>	<b>344,834</b>	<b>-</b>	<b>279,009</b>	<b>-</b>	<b>951,736</b>	<b>-</b>
Cash Balance- Beginning of Year	44,902			12,806		57,708	-
<b>Total Amount to Account For</b>	<b>\$ 372,795</b>	<b>\$ 344,834</b>	<b>\$ -</b>	<b>\$ 291,815</b>	<b>\$ -</b>	<b>\$ 1,009,444</b>	<b>\$ -</b>

*See accompanying notes and accountants' compilation report*

**Town of Goodman, Mississippi**  
**COMBINED STM OF CASH RECEIPTS AND DISBURSEMENTS**  
**For the Fiscal Year Ended September 30, 2003**

	Governmental Funds					Totals (Memorandum Only) 2003	Totals (Memorandum Only) 2002
	General	Special Revenue	Capital Projects	Proprietary Funds	Fiduciary Funds		
Operating Disbursements:							
General Government (Executive and Financial)	\$ 85,040	-	-	-	-	\$ 85,040	\$ -
Public Safety							
Police	120,516					120,516	-
Fire	5,533					5,533	-
Civil Defense		-	-	-	-	-	-
Highways & Streets	36,421					36,421	-
Health & Sanitation	-					-	-
Culture & Recreation	-					-	-
Library	36,740					36,740	-
Parks	-					-	-
Enterprises							
Water & Sewer Utility	-	-	-	\$ 133,959	-	133,959	-
Grant Expenditures							
CDBG		193,002					
Home Project		130,973					
Summer Feeding Program		18,318					
Other							
Loan Repayments	24,314	-	-	16,539	-	40,853	-
Interfund Transfers	-			132,603		132,603	-
Capitalization	-	-	-	-	-	-	-
Total Disbursements	<u>308,564</u>	<u>342,293</u>	<u>-</u>	<u>283,101</u>	<u>-</u>	<u>591,665</u>	<u>-</u>
Cash Balance- End of Year	66,660	2		8,824		75,486	-
<b>Total Amount Accounted For</b>	<b><u>\$ 375,224</u></b>	<b><u>\$ 342,295</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 291,925</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 1,009,444</u></b>	<b><u>\$ -</u></b>

**TOWN OF GOODMAN**  
Notes to Financial Statements  
September 30, 2003

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**Note 1 - Summary of significant accounting policies**

The town operates under the mayor/board of alderman form of government and provides services as authorized by law.

*Reporting Entity:*

The financial statement for the town consists of all the funds of the town.

*Fund Accounting:*

The accounts of the town are organized on the basis of funds, each of which is considered a separate accounting entity.

*Basis of Accounting*

The financial statement is prepared on a cash receipts and disbursements basis, as prescribed by the Office of the State Auditor. Consequently, certain revenues are recognized when received rather than when earned, and certain expenses are recognized when paid rather than when the obligation is incurred.

**Note 2 – Report Classifications**

Receipts and disbursements were classified according to requirements for small towns in the State of Mississippi as prescribed by the Office of the State Auditor.

**Town of Goodman**  
**Supplemental Section**  
**September 30, 2003**

# Dungan CPA Co.

Kenny Dungan, CPA  
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Kosciusko, MS 39090

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## AUDITOR'S REPORT ON SUPPLEMENTAL INFORMATION

In connection with my audit of the financial records of the Town of Goodman for the year ended September 30, 2003 I have audited the supplemental information presented in the following pages which has been taken primarily from the accounting and other records of the Town, which is not, in my opinion, necessary for a fair presentation of its financial position or results of operations.

Dungan CPA Company  
November 18, 2003

**Town of Goodman, Mississippi**  
**Schedule of Investments-All Funds**  
**For the Fiscal Year ended September 30, 2003**

<u>Ownership</u>	<u>Type of Investment</u>	<u>Interest Rate</u>	<u>Acquisition Date</u>	<u>Maturity Date</u>	<u>Other Information</u>	<u>Investment Value</u>
None						

**Town of Goodman, Mississippi**  
**Schedule of Long-Term Debt**  
**For the Fiscal Year ended September 30, 2003**

<u>Definition &amp; Purpose</u>	<u>Balance Outstanding</u> <u>October 1, 2002</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Balance Outstanding</u> <u>September 30, 2003</u>
GMAC #1	57,000		\$13,000	\$44,000
GMAC #4	2,491		1,760	731
GMAC #5	31,236		2,170	29,066

**Town of Goodman, Mississippi**  
**Schedule of Surety Bonds for Town Officials**  
**September 30, 2003**

<u>Name</u>	<u>Position</u>	<u>Surety</u>	<u>Bond Amount</u>
Shirley Jobe	Town Clerk	Insurance Company	\$50,000
Bill Floyd	Police Chief	Insurance Company	50,000
Debra Mabry	Mayor	Insurance Company	50,000
Johnny Tillman	Alderman	Insurance Company	5,000
John Mabry	Alderman	Insurance Company	5,000
Otis Groves Sr.	Alderman	Insurance Company	5,000
Carla Williams	Alderman	Insurance Company	5,000
Ricky Anderson	Alderman	Insurance Company	5,000
James Robertson	Police	Insurance Company	10,000
Mickie Chisolm	Police	Insurance Company	10,000
Melvin B Williams	Police	Insurance Company	10,000
Kenneth Wilson	Police	Insurance Company	10,000
Frank Smith	Police	Insurance Company	10,000
Berry Mitchell	Police	Insurance Company	10,000
Mary Helen Speed	Asst Clerk	Insurance Company	10,000

Town of Goodman, Mississippi  
 Schedule of Expenditures of Federal Awards  
 For The Year Ended September 30, 2003

Federal Grantor / Pass-through Grantor / <u>Program Title</u>	Catalog of Federal Domestic <u>Assistance Number</u>	Pass-through <u>Number</u>	Program <u>Amount</u>	Federal <u>Revenue</u>	<u>Expenditures</u>
Home Program	14.239	M01-SG-28-01-0965	309,000	129,773	129,773
CDBG	14.219	02-197-PF-01	300,000	98,040	98,040
CDBG	14.219	02-197-EM-01	62,500	58,720	58,720
CDBG	14.219	02-197-EM-02	49,500	37,418	37,418

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
*GOVERNMENT AUDITING STANDARDS*

Honorable Mayor and Board of Aldermen  
Goodman, Mississippi

I have audited the financial statement of the Town of Goodman as of and for the year ended September 30, 2003. I conducted my audit in accordance with generally accepted auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Town of Goodman's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my test disclosed one instance of noncompliance listed on *Page 16 – "Schedule of Findings and Questioned Costs"* that is required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Town of Goodman's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

This report is intended for the information of the Honorable Mayor and the Board of Alderman and Rural Economic and Community Development. However, this report is a matter of public record and its distribution is not limited.

Dungan CPA Company  
November 18, 2003

REPORT ON COMPLIANCE WITH REQUIRMENTS APPLICABLE TO EACH MAJOR  
FEDERAL PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN  
ACCORDANCE WITH OMB CIRCULAR A-133

To the Honorable Mayor and Board of Alderman  
Town of Goodman

Compliance

I have audited the compliance of the Town of Goodman with the types of compliance requirements described in U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended September 30, 2003. The town's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the town's compliance based on my audit.

I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations." Those standards and OMB Circular A-133 required that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining on a test basis, evidence about the town's compliance with those requirements and performing such other procedures, as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit includes examining on a test basis, evidence about the town's compliance with those requirements and performing such other procedures, as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination on the town's compliance with those requirements.

In my opinion, the Town of Goodman complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended September 30, 2003.

### Internal Control Over Compliance

The management of the Town of Goodman is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing my audit, I considered the town's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine my audit procedures for the purpose of expressing my opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

My consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I did not note any matters involving internal control over compliance and its operation that I consider to be material weaknesses.

This report is intended solely for the information and use of the audit committee, management, others within the organization and certain governmental agencies and is not intended to be and should not be used by any one other than these specified parties.

Dungan CPA Company  
Kosciusko, Mississippi  
November 18, 2003

TOWN OF GOODMAN  
GOODMAN, MISSISSIPPI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
September 30, 2003

Section 1: Summary of Auditor's Results

1. An unqualified opinion was issued on the financial statements.
2. The audit of the financial statements did not disclose any material weakness in internal control.
3. The audit did not disclose any noncompliance, which is material to the financial statements.
4. The audit did not disclose any material weaknesses in internal control over major programs.
5. An unqualified opinion was issued on compliance for major programs.
6. The audit did not disclose any audit findings, which are required to be reported under section 510(a) of OMB Circular A-133.
7. The major programs were Water and Waste Disposal Systems for Rural Communities CFDA #10.760 and home improvement.
8. The dollar threshold used to distinguish between Type A and Type B programs was \$300,000.
9. The audited did not qualify as a low-risk audited.

Section 2: Findings Relating to the Financial Statements

The results of my tests did not disclose any findings and questioned costs related to the federal awards.

Section 3: Federal Award Findings and Questioned Costs

The results of my tests did not disclose any findings and questioned costs related to the federal awards.

**Town of Goodman**  
**P O Box 397**  
**Goodman, Mississippi 39079**

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Office of the State Auditor  
P O Box 956  
Jackson, MS 39205

Re: Annual Municipal Compilation

Accompanying this letter are two copies of the annual compilation of the Town of Goodman, Mississippi, for the fiscal year ended September 30, 2003. A separate management letter was not written to the town in connection with this audit.

Sincerely,

Mayor,  
Town of Goodman